

Mr. H. Eliot Kaplan, Chairman,
Committee on Retirement Policy for Federal Personnel,
Executive Office of the President,
Washington 25, D. C.

Dear Mr. Kaplan:

On November 4, 1953, you kindly met with representatives of this Agency for the purpose of exploring some of the retirement problems with which we are confronted. In accordance with your suggestion we are setting forth some of these problems for your further consideration and for the possible consideration of the Committee. We note that the legislation which activated the Committee on Retirement Policy indicates that it is within the purview of the Committee to study the need for special benefit provisions for selected employee groups, including overseas personnel and employees in hazardous occupations.

As was indicated by our representatives, certain employees of this Agency perform duties which subject them to working conditions that are substantially different from those of the average recipient of Civil Service retirement benefits. Some serve overseas intermittently or for extended periods of time under conditions which limit them in the pursuit of normal living and sometimes expose them to hazardous conditions of both a physical and psychological nature. Some serve overseas at posts which are considered unhealthful. These individuals are members of a career service which may require them to serve at any post throughout the world as operational needs require.

Another important factor which in our opinion justifies consideration for special retirement benefits for certain of our personnel is that the special combination of mental, physical and psychological characteristics which are required of an employee for the adequate performance of his duties are found in diminishing proportions as employees advance past age 50, and particularly in those employees who have been engaged in these activities for an extended period of time. Since there are limitations on the employment opportunities in the departmental service for any considerable number of such older individuals, the only proper solution to the problem seems to be an earlier retirement, and since most of these individuals will have

served under the conditions previously indicated, it is believed that such retirement should be on a full annuity basis. There are also significant limitations on the employment opportunities which would exist for such individuals following retirement, either in public service or in private enterprise. Many of these individuals perform functions of a highly specialized nature peculiar to intelligence operations. While most of these persons possess skills and knowledge that would be useful to another employer, security obligations imposed by the Agency and agreed to by the individual may in certain cases make it impossible for the person to disclose this knowledge or to reveal that he possesses such skills. Consequently, the possibilities of transferring readily and without monetary sacrifice to other employment are limited.

It is our opinion that the only equitable solution to this problem is to recommend the establishment of a retirement system for these individuals which would permit them to retire on full annuity at an earlier age than is permitted under the existing Civil Service Retirement Act. We think the following formula would accomplish this objective, and are suggesting it for your consideration. Since the type of duty which presents the unusual conditions referred to above is always overseas duty, we would suggest a formula which gives the individual additional creditable retirement service for overseas service, as for instance 18 months of creditable service for each year of overseas service, or two years of creditable service for each year of overseas service at an unhealthful post. Also, in order to lower the voluntary retirement age for such individuals we would suggest that additional credit toward reducing the voluntary retirement age be allowed for overseas service, for example, six months of additional credit toward reducing the voluntary retirement age for each year of overseas service and eight months of additional credit for each year of service at an unhealthful post. We feel that a formula such as this would constitute an equitable solution to our retirement problems. However, since a given employee in the course of his career with the Agency would serve overseas only a portion of his time, retirement at an extremely early age would almost certainly be precluded.

Your consideration of the above would be much appreciated. Obviously we are unable to include many of the details which would give a clearer picture of our problems, but if additional information is required [redacted] our Acting Personnel Director, will be available to furnish you such information.

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Sincerely yours,

15/

L. K. White
Acting Deputy Director

OPD: CWClaxon:nh (18 Nov 53)

Distribution:

1 - Addressee

2 - Acting DD/A *Chase*

2 - OPD

1 - Retirement File

Originator: [redacted]

Concur: 15/ [redacted]

Acting Personnel Director

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